

Old Age, Disability, Death

First law: 1922.

Current laws: 1995, 1996 and 1998.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 0.57 lats.

Coverage

Old age and survivor insurance: Employees, self-employed, active military, individuals caring for child under age 1.5, unemployed, diplomatic spouse, and maternity and sickness benefit recipients. Voluntary coverage if not subject to compulsory social insurance. Disability insurance: Employees, and self-employed. Exclusion: Disabled in categories I and II.

Source of Funds

Insured person: 9% of earnings, included in employer payment.

Employer: 23.58% of payroll.

Government: Contributes for active military personnel, individuals caring for child under age 1.5, and diplomatic spouse.

Qualifying Conditions

Old-age pension: Age 60 (men) or 57 (women), and 10 years of insurance. The age requirement for women will increase by 6 months each year until age 60 is reached.

Disability pension: 3 years of insurance.

Survivor pension: Deceased was insured or pensioner at time of death.

Old-Age Benefits

Old-age pension: The amount of insured's contributions plus annual capital growth which is adjusted according to changes in the earnings index divided by the average remaining life expectancy. Minimum pension is equal to the State social security allowance, 30 lats.

Permanent Disability Benefits

Disability pension: Disability pension is granted according to three categories of disability.

Category I: 0.45 times average wage in 3 consecutive of last 5 years, plus average wage times ratio of years actually contributed to total possible number of years between age 15 and retirement.

Minimum, 1.6 times the minimum state social security allowance.

Category II: 0.4 times average wage in 3 consecutive of last 5 years, plus average wage times ratio of years actually contributed to total possible number of years between age 15 and retirement.

Minimum, 1.4 times the minimum state social security allowance.

Category III: Minimum state social security allowance.

Survivor Benefits

Survivor pension: 50% of old-age pension of insured for one survivor; 75% for 2 survivors; 90% for 3 or more. Payable to children, dependent brothers, sisters and grandchildren.

Full orphans, pension amounts based on old-age pensions of both parents. Minimum survivors pension is equal to State social security allowance.

Administrative Organization

Ministry of Welfare, general supervision. The system is managed by State Social Insurance Agency and its local offices.

Sickness and Maternity

First law: 1924.

Current law: 1995.

Type of program: Social insurance system.

Coverage

Sickness benefit: Employees and self-employed.

Medical benefit: All permanent residents.

Source of Funds

Insured person: See pension contributions, above.

Employer: 2.08% of payroll for sickness and maternity insurance.

Government: Covers payment for minimum health care services.

Qualifying conditions

Sickness benefits and medical care: No minimum qualifying period for receipt of benefits.

Sickness and Maternity Benefits

Sickness benefit: 80% of average earnings. Payable from the 15th day of incapacity for work until recovery or if declared permanently disabled up to 52 weeks from day of incapacity for work or 78 weeks within a 3 year period if the incapacity for work repeats. Benefit payable from the 1st day if caring for child younger than 14 years. Employer pays for 2nd to 14th day of incapacity.

Maternity benefit: 100% of average earnings. Payable for 112 calendar days: 56 before and 56 after confinement. Payable for 14 additional calendar days due to complications during pregnancy, delivery or post-delivery period as well as in cases when 2 or more children are born and in cases when medical care associated with pregnancy at a medical institution has been started and continued before the 12th week of pregnancy.

Administrative Organization

Ministry of Welfare, general supervision.

State Social Insurance Agency, granting and payment of cash benefits.

State Health Insurance Fund, management of medical care.

Work Injury

First law: 1927

Current laws: 1995 and 1998.

Type of program: Social insurance system.

Coverage

Wage and salary earners.

Source of Funds

Insured person: None.

Employer: 0.09% of payroll.

Government: Financing of state-guaranteed health care services.

Qualifying Conditions

Work injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: Same as for ordinary sickness.

Permanent Disability Benefits

Permanent disability benefit: Percentage of insured's average monthly earnings depending on degree of disability: 80% for 100% loss of earning capacity, up to 80% if loss is 80-99%, up to 65% if loss is 50-79%, up to 50% if loss is 25-49%, and up to 30% if loss is 10-24%.

Workers' Medical Benefits

Medical benefits: Same as for ordinary illness plus reimbursement for additional expenses for medical treatment, nursing care, prosthesis, escort, travel expenses, occupational rehabilitation.

Survivor Benefits

Survivor pension: 25% of the average monthly earnings for one survivor, up to 35% for 2 survivors, up to 45% for 3, up to 55% for 4 or more. Higher percentage for orphans. Payable to children, dependent brothers, sisters, grandchildren, surviving spouse, parents and grandparents.

Funeral grant: Equal to 2 average monthly earnings of the deceased, but no less than 3 times minimum wage.

Administrative Organization

Ministry of Welfare, general supervision.

State Social Insurance Agency and local insurance offices, granting and payment of insurance-based and related benefits.

60%; over 25 years, 65%. Full amount paid for the first 3 months, 80% for 3-6 months, 60% for 6-9 months.
Minimum benefit: 90% of minimum wage.

Administrative Organization

Ministry of Welfare, general supervision.

State Social Insurance Agency, local insurance offices, granting and payment of benefits. State Employment Service, local employment offices, placement, training and retraining.

Family Allowances

First law: 1990.

Current laws: 1995 and 1998.

Type of program: Universal coverage.

Coverage

Permanent residents with a child of prescribed age.

Source of Funds

Insured person: None.

Employer: None.

Government: Total cost.

Qualifying Conditions

Family allowances: Child under 15 years (20 years if at secondary school).

Family Allowance Benefits

Family allowances: 20% of state social security allowance monthly for the first child, 1.2 times the amount for the first child for the second, 1.6 times for the third, 1.8 times for the fourth and subsequent children.

Administrative Organization

Ministry of Welfare, general supervision.

State Social Insurance Agency and local insurance offices, granting and payment.

Unemployment

First law: 1991.

Current laws: 1995.

Type of program: Social insurance system.

Coverage

Employees, self-employed, active military personnel, and individuals taking care of a child under 1.5 years of age.

Source of Funds

Insured person: See pension contributions, above.

Employer: 2.34% of payroll.

Government: Contributes for active military personnel, and individuals taking care of a child under 1.5 years of age.

Qualifying Conditions

Unemployment benefit: Registration at state employment office, 9 months of insurance and income lower than the minimum wage.

Unemployment benefits

Unemployment benefits: Determined according to the length of service and the length of unemployment. 1-5 years of service, 50% of the salary of the last 6 months; 5-15 years, 55%; 15-25 years,